

TO: Secretary Paige
FROM: Acting COO Jim Manning
RE: FSA Weekly Report
DATE: August 19, 2002

THE WEEK AHEAD

Acting COO: As of August 19, Jim Manning is serving as FSA's Acting COO. He will continue to fulfill his role as Deputy Secretary Hansen's Chief of Staff, splitting his time between FB6 and UCP. Kay Jacks will serve as Manning's Acting Chief of Staff. Jacks will continue to fulfill her role as General Manager of FSA's Schools Channel.

Conditional Total & Permanent Disability System: As of August 19, the Conditional Total & Permanent Disability system is expected to be fully operational. Acceptance Testing and a Program Readiness Review for Phase 2 have been completed. Phase 2 implements automated tracking processes; FTP assignments from loan holders who wish to participate in an FTP process; updating borrower information in the tracking systems; processing initial determinations of eligibility for the program from computer images rather than paper files; and sending requests for earnings information to borrowers in conditional total and permanent disability discharge monitoring status.

Private Collection Agency Meeting: On August 21, our Student Credit Management/Debt Collections staff will be meeting with our Private Collection Agency contractors in Philadelphia. The primary topics discussed will be FY02 Performance, Loan Consolidation and Rehabilitation procedural changes for FY03, new System Security requirements, and the new Total and Permanent Disability guidelines.

GAO Audit of Student Loan Default Management: On August 22, FSA will participate in an entrance conference for a GAO study to evaluate the effectiveness of our default management strategies. This review is part of GAO's planned 2003 Performance and Accountability Series/High-Risk Report. GAO's objectives are to assess our default management objectives, actions taken, and outcomes for FYs 1999-2002. The point is to determine what additional actions are needed to further reduce financial losses from defaulted loans.

KEY NEWS

GAO Review of IRS Data Sharing Processes: GAO is beginning a research and development project to determine whether federal agencies share and verify information they receive from the IRS, and also if IRS takes advantage of the information to cross-check its accuracy. The initial focus will be on data sharing/verifying between IRS and ED, INS, and SSA. An entrance conference is tentatively scheduled for August 28.

Single Sign-On: The Investment Review Board has made a decision to delay the Vendor Selection and Implementation phase of the Single Sign On initiative until the FY03 timeframe.

Record Day for 1-800-4-FED-AID: On August 12, the FSAIC (1-800-4-FED-AID) handled 44,726 calls from constituents. This is a record number for one day. Customer service representatives (CSRs) responded to 93.5% of the calls in 20 seconds or less and successfully answered 99.4% of the calls.

Direct Loan PLUS Issues: Since implementation of the Common Origination and Disbursement system, we have identified issues involving Direct PLUS Loans. These issues are being resolved as they are identified. It is our expectation that all issues will be resolved within the next two weeks.

	<u>RESOLUTION OF KEY ISSUES</u>
Nothing to report.	
	<u>PUBLIC AFFAIRS ACTIVITIES</u>
Nothing to report.	
	<u>REGULATORY ACTIVITIES</u>
Nothing to report.	
	<u>POLICY DOCUMENTS</u>
Nothing to report.	
	<u>GRANT ACTIVITIES</u>
Nothing to report.	
	<u>ON THE HORIZON</u>
Nothing to report.	
	<u>CONTACT INFORMATION</u>

Please contact Lisa Cain at 377-4003 with any questions.